

**AL-AHLEIA INSURANCE COMPANY S.A.K.P.
AND ITS SUBSIDIARY**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

31 MARCH 2016 (UNAUDITED)



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL-AHLEIA INSURANCE COMPANY S.A.K.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiary (collectively "the Group") as at 31 March 2016, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, the executive regulation of Law No. 25 of 2012 and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2016 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

ABDULLATIF A. H. AL-MAJID
(LICENCE NO. 70 A)
OF PARKER RANDALL (ALLIED ACCOUNTANTS)

10 May 2016
Kuwait

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 March 2016 (UNAUDITED)

	Notes	Three months ended 31 March	
		2016 KD	2015 KD
Revenue:			
Gross premiums		28,190,025	10,829,793
Premiums ceded to reinsurers		(8,226,594)	(7,305,665)
Net premiums		19,963,431	3,524,128
Movement in unearned premiums		(7,218,022)	(334,591)
Net premiums earned		12,745,409	3,189,537
Commission received on ceded premiums		2,824,773	2,401,663
Policy issuance fees		172,510	148,941
Net investment income	5	1,671,714	1,609,595
Rental income from investment properties		159,414	-
Other income		15,647	50,719
Total Revenue		17,589,467	7,400,455
Expenses:			
Net claims incurred		(8,100,654)	(1,545,002)
Commissions and premiums' acquisition costs		(3,412,180)	(892,383)
Movement in life mathematical reserve		(261,000)	(250,700)
Maturity and cancellations of life insurance policies		(70,131)	(114,940)
Investment property expenses		(24,180)	-
Administrative expenses		(1,714,827)	(1,059,945)
Impairment loss on financial assets available for sale	6	(423,190)	-
Total Expenses		(14,006,162)	(3,862,970)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		3,583,305	3,537,485
Contribution to KFAS		(28,319)	(33,132)
NLST		(73,902)	(66,256)
Zakat		(29,561)	(26,502)
PROFIT FOR THE PERIOD		3,451,523	3,411,595
Attributable to:			
Equity holders of the Parent Company		3,374,242	3,411,595
Non-controlling interests		77,281	-
		3,451,523	3,411,595
BASIC AND DILUTED EARNINGS PER SHARE	3	17.19 fils	17.39 fils

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2016 (UNAUDITED)

	Notes	Three months ended 31 March	
		2016 KD	2015 KD
Profit for the period		3,451,523	3,411,595
Other comprehensive income:			
<i>Items that are or may be reclassified to the interim condensed consolidated statement of profit or loss in subsequent periods:</i>			
- Net unrealised (loss) gain of financial assets available for sale		(3,436,799)	2,707,950
- Gain on sale of financial assets available for sale recycled to interim condensed consolidated statement of income	5	(237,648)	(160,078)
- Impairment loss on financial assets available for sale	6	423,190	-
		(3,251,257)	2,547,872
- Share of other comprehensive income of associates		14,160	16,147
- Foreign currency translation adjustments		5,396	112,000
Other comprehensive (loss) income for the period		(3,231,701)	2,676,019
Total comprehensive income for the period		219,822	6,087,614
Attributable to:			
Equity holders of the Parent Company		147,668	6,087,614
Non-controlling interests		72,154	-
		219,822	6,087,614

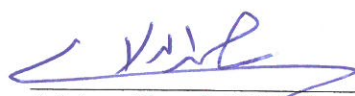
The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

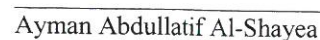
Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016(UNAUDITED)

		(Audited)	
		31 March 2016	31 December 2015
	Notes	KD	KD
ASSETS			
Property and equipment		4,205,446	4,251,006
Investment properties		13,313,380	13,313,380
Investment in associates		6,317,577	6,240,661
Financial assets held to maturity		8,660,033	7,498,293
Financial assets available for sale	6	83,161,026	86,961,030
Loans secured by life insurance policyholders		187,406	97,487
Premiums and insurance balances receivable		12,664,555	10,719,665
Reinsurance recoverable on outstanding claims		31,703,055	31,602,446
Receivables arising from reinsurance contracts and premium accruals		30,946,834	24,776,947
Accounts receivable and other debit balances		9,572,594	7,271,394
Term deposits		43,373,129	47,262,857
Bank balances and cash		8,348,828	3,042,867
TOTAL ASSETS		252,453,863	243,038,033
EQUITY AND LIABILITIES			
Equity attributable to Shareholders of Parent Company			
Share capital	7	20,000,000	20,000,000
Statutory reserve		20,000,000	20,000,000
General reserve		20,000,000	20,000,000
Special voluntary reserve		11,000,000	11,000,000
Treasury shares		(1,326,133)	(1,394,366)
Treasury shares reserve		1,457,129	1,438,443
Cumulative changes in fair values reserve		8,595,568	11,827,152
Foreign currency translation reserve		454,194	449,184
Retained earnings		23,031,487	19,657,245
Equity attributable to shareholders of the Parent Company		103,212,245	102,977,658
Non-controlling interests		3,545,723	3,473,569
Total equity		106,757,968	106,451,227
Liabilities			
Technical reserve arising from insurance contracts:			
Outstanding claims reserve		74,107,907	73,431,281
Unearned premiums reserve		27,881,232	20,663,210
Life mathematical reserve		5,243,000	4,982,000
Incurred but not reported reserve		13,131,097	11,592,173
Total technical reserve arising from insurance contracts		120,363,236	110,668,664
Insurance payables		12,320,468	11,428,005
Accounts payable and other credit balances		8,296,468	8,255,242
Premiums received in advance		-	87,780
Bank overdraft		4,715,723	6,147,115
Total liabilities		145,695,895	136,586,806
TOTAL EQUITY AND LIABILITIES		252,453,863	243,038,033


Sulaiman Hamad Al-Dalali
Chairman


Ayman Abdullatif Al-Shayea
Vice Chairman

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2016 (UNAUDITED)

	Notes	Three months ended 31 March	
		2016 KD	2015 KD
OPERATING ACTIVITIES			
Profit for the period		3,451,523	3,411,595
Non-cash adjustments to reconcile profit for the period to net cash flows:			
Depreciation of property and equipment		58,432	36,058
Share of results of associates	5	(62,052)	(278,147)
Rental income from investment properties		(159,414)	-
Gain on sale of financial assets available for sale	5	(237,648)	(160,078)
Impairment loss on financial assets available for sale	6	423,190	-
Interest income on bonds and term deposits	5	(404,587)	(109,267)
Dividend income	5	(943,241)	(1,036,902)
Interest expense		41,564	303
Provision for employees' end of service benefits		102,294	9,308
		2,270,061	1,872,870
Changes in operating assets and liabilities:			
Premiums and insurance balances receivable		(1,944,890)	(2,014,928)
Receivables arising from reinsurance contracts and premium accruals		(6,169,887)	-
Reinsurance recoverable on outstanding claims		(100,609)	878,734
Accounts receivable and other debit balances		(1,892,249)	220,116
Technical reserve		9,694,572	(432,783)
Insurance payables		892,463	1,771,465
Accounts payable and other credit balances		(38,722)	645,763
Premiums received in advance		(87,780)	(75,385)
		2,622,959	2,865,852
Cash flows from operations		2,622,959	2,865,852
Employees' end of service benefits paid		(16,877)	(1,697)
		2,606,082	2,864,155
INVESTING ACTIVITIES			
Purchase of property and equipment		(14,715)	(1,981)
Purchase of financial assets available for sale		(3,138,930)	(3,172,975)
Purchase of investment in associates		-	(117,789)
Proceeds from sale of financial assets available for sale		3,522,134	890,486
Placement of financial assets held to maturity		(2,000,000)	-
Proceeds from redemption of financial assets held to maturity		818,260	-
Movement in loans secured by life insurance policyholders		(89,919)	59,300
Term deposits		3,889,728	(210,052)
Dividend income received		628,741	972,577
Interest income received		311,979	18,038
Rent received		159,414	-
		4,086,692	(1,562,396)
FINANCING ACTIVITIES			
Dividends paid		(5,469)	(18,526)
Sale of treasury shares		86,919	-
Interest expense paid		(41,564)	(303)
		39,886	(18,829)
Foreign currency translation adjustments			
		4,693	-
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		6,737,353	1,282,930
Cash and cash equivalents at the beginning of the period		(3,104,248)	1,100,666
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
	4	3,633,105	2,383,596

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2016 (UNAUDITED)

	Share capital KD	Statutory reserve KD	General reserve KD	Special voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Cumulative changes in fair values reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Subtotal KD	Non controlling interests KD	Total equity KD
Balance at 1 January 2016 (Audited)	20,000,000	20,000,000	20,000,000	11,000,000	(1,394,366)	1,438,443	11,827,152	449,184	19,657,245	102,977,658	3,473,569	106,451,227
Profit for the period	-	-	-	-	-	-	-	-	3,374,242	3,374,242	77,281	3,451,523
Other comprehensive (loss) income	-	-	-	-	-	-	(3,231,584)	5,010	-	(3,226,574)	(5,127)	(3,231,701)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(3,231,584)	5,010	3,374,242	147,668	72,154	219,822
Sale of treasury shares	-	-	-	-	68,233	18,686	-	-	-	86,919	-	86,919
Balance at 31 March 2016	20,000,000	20,000,000	20,000,000	11,000,000	(1,326,133)	1,457,129	8,595,568	454,194	23,031,487	103,212,245	3,545,723	106,757,968
Balance at 1 January 2015 (Audited)	20,000,000	18,171,431	18,862,138	11,000,000	(1,414,701)	1,434,528	11,861,293	283,463	17,710,933	97,909,085	-	97,909,085
Profit for the period	-	-	-	-	-	-	-	-	3,411,595	3,411,595	-	3,411,595
Other comprehensive income	-	-	-	-	-	-	2,564,019	112,000	-	2,676,019	-	2,676,019
Total comprehensive income for the period	-	-	-	-	-	-	2,564,019	112,000	3,411,595	6,087,614	-	6,087,614
Balance at 31 March 2015	20,000,000	18,171,431	18,862,138	11,000,000	(1,414,701)	1,434,528	14,425,312	395,463	21,122,528	103,996,699	-	103,996,699

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the period ended as at 31 March 2016 (UNAUDITED)

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Al-Ahleia Insurance Company S.A.K.P. is a Kuwaiti shareholding company listed in the Kuwaiti stock exchange, registered under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments. It is engaged in various insurance activities, including reinsurance. Its registered head office is at P.O. Box 1602, Safat 13017, Kuwait.

The interim condensed consolidated financial information of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiary – Kuwait Reinsurance Company (collectively "the Group") for the three months period ended 31 March 2016 were authorised for issuance by the Board of Directors on 10 May 2016.

The financial statements of the Parent Company for the year ended 31 December 2015 were approved by the shareholders at the Annual General Meeting held on 5 April 2016.

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and was published in the Official Gazette on 1 February 2016 cancelled the Companies Law No 25 of 2012, and its amendments. According to article No. 5 the new Law will be effective retrospectively from 26 November 2012 and the executive regulation of Law No. 25 of 2012 will continue until a new set of executive regulation is issued.

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard (IAS 34), Interim Financial Reporting.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015 except for the adoption of the amendments and annual improvements to International Financial Reporting Standards ("IFRS"), relevant to the Group which are effective for annual reporting period starting from 1 January 2016 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information are presented in Kuwaiti Dinars which is the functional currency of the Group.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015. Further, Operating results for the three months period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

Standards issued but not yet effective

The following IASB Standards relevant to the Group have been issued but are not yet mandatory are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9: Financial Instruments

The IASB issued IFRS 9 - Financial Instruments in its final form in July 2014 and is effective for annual periods beginning on or after 1 January 2018 with a permission to early adopt. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non- financial assets. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption of this standard will have an effect on the classification and measurement of Group's financial assets but is not expected to have a significant impact on the classification and measurement of financial liabilities. The Group is in the process of quantifying the impact of this standard on the Group's interim condensed consolidated financial information, when adopted.

IFRS 15: Revenue from Contracts with customers

IFRS 15 was issued by IASB on 28 May 2014 is effective for annual periods beginning on or after 1 January 2017. IFRS 15 supersedes IAS 11 Construction contracts and IAS 18 Revenue along with related IFRIC 13, IFRS 15, IFRIC 18 and SIC 31 from the effective date.

This new standard would remove inconsistencies and weaknesses in previous revenue requirements, provide a more robust framework for addressing revenue issues and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The Group is in the process of evaluating the effect of IFRS 15 on the Group's interim condensed consolidated financial information, when it will be adopted, and do not expect any significant impact on adoption of this standard.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the period ended as at 31 March 2016 (UNAUDITED)

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holder of Parent Company by the weighted average number of shares outstanding during the period.

	<i>Three months ended</i>	
	<i>31 March</i>	
	2016	2015
	KD	KD
Profit for the period	3,374,242	3,411,595
	Shares	Shares
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	196,311,856	196,180,765
Basic and diluted earnings per share	17.19 fils	17.39 fils

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

4 CASH AND CASH EQUIVALENTS

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2016	2015	2015
	KD	KD	KD
Bank balances and cash	8,348,828	3,042,867	2,383,596
Term deposits	43,373,129	47,262,857	22,359,315
Less:	51,721,957	50,305,724	24,742,911
Term deposits with original maturities of more than three Months	(43,373,129)	(47,262,857)	(22,359,315)
Bank overdraft	(4,715,723)	(6,147,115)	-
Cash and cash equivalents	3,633,105	(3,104,248)	2,383,596

Term deposits amounting to KD 5,370,356 (31 December 2015: KD 5,555,356 and 31 March 2015: KD Nil) are held as security against letter of credit granted by a bank.

5 NET INVESTMENT INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	2016	2015
	KD	KD
Share of results of associates	62,052	278,147
Gain on sale of financial assets available for sale	237,648	160,078
Interest on bonds and fixed deposits	404,587	109,267
Dividend income	943,241	1,036,902
Other investment income	24,186	25,201
	1,671,714	1,609,595

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the period ended as at 31 March 2016 (UNAUDITED)

6 FINANCIAL ASSETS AVAILABLE FOR SALE

	31 March 2016 KD	<i>(Audited)</i> 31 December 2015 KD	31 March 2015 KD
<i>Local equity securities:</i>			
Quoted	22,864,706	23,681,741	24,832,843
Unquoted	8,065,629	7,820,659	7,765,112
	30,930,335	31,502,400	32,597,955
<i>Foreign equity securities:</i>			
Quoted	3,820,259	4,799,220	7,771,698
Unquoted	19,464,378	20,107,925	21,511,198
	23,284,637	24,907,145	29,282,896
Unquoted foreign funds	26,427,831	29,533,262	22,051,371
Bonds	2,518,223	1,018,223	350,000
	28,946,054	30,551,485	22,401,371
	83,161,026	86,961,030	84,282,222

As at 31 March 2016, Management has performed a review of its financial assets available for sale to assess whether any impairment has occurred in their value and accordingly, an impairment loss of KD 423,190 (31 December 2015: KD 8,801,136 and 31 March 2015: KD Nil) has been recognised in the interim condensed consolidated statement of income.

7 SHARE CAPITAL

Authorised, issued and fully paid-up share capital consists of 200,000,000 shares of 100 fils each (31 December 2015: 200,000,000 and 31 March 2015: 200,000,000 shares).

On 5 April 2016, the Ordinary Annual General Assembly of the Parent Company's shareholders approved the payment of cash dividend of 35% for the year ended 31 December 2015, totaling KD 6,874,663 (2014: 32% totaling KD 6,277,753) and board of directors' remuneration of KD 569,000 (2014: KD 409,847).

8 CAPITAL COMMITMENTS AND CONTINGENCIES

As at 31 March 2016, the Group had future capital commitments with respect to financial assets available for sale of KD 6,758,032 (31 December 2015: KD 5,514,216 and 31 March 2015: KD 3,804,152) and has contingent liabilities in respect of letter of credit granted by a bank amounting to KD 4,345,185 (31 December 2015: KD 4,629,463 and 31 March 2015: KD Nil) from which it is anticipated that no material liabilities will arise.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the period ended as at 31 March 2016 (UNAUDITED)

9 RELATED PARTY TRANSACTIONS

Related parties represent i.e. major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>Associates</i>	<i>Parent Company's shareholders</i>	<i>Three months ended 31 March</i>	
			<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Gross premiums	94,295	686,298	780,593	1,593,056
Claims incurred	20,882	207,365	228,247	419,289

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>Associates</i>	<i>Parent Company's shareholders</i>	<i>31 March 2016</i>	<i>(Audited)</i>	
				<i>31 December 2015</i>	<i>31 March 2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Premiums and insurance balances receivable	635,435	4,507,525	5,142,960	5,423,780	4,402,889
Other credit balances	-	95,601	95,601	55,972	248,083

Key management personnel compensation:

	<i>Three months ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
Salaries and other short term benefits	198,689	51,203
Employees' end of service benefits	67,930	-
	<u>266,619</u>	<u>51,203</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the period ended as at 31 March 2016 (UNAUDITED)

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of financial assets available for sale, loans secured by life insurance policyholders, premiums and insurance balances receivable, reinsurance recoverable on outstanding claims, accounts receivables and other debit balances, fixed deposits and bank balances. Financial liabilities consist of insurance payables and other credit balances.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The fair values of financial instruments (financial assets and financial liabilities), with the exception of certain financial assets available for sale carried at cost amounting to KD 21,461,269 are not materially different from their carrying values.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total fair Value</i>
31 March 2016	KD	KD	KD	KD
<i>Financial assets available for sale:</i>				
Quoted	26,684,965	-	-	26,684,965
Unquoted	-	-	35,014,792	35,014,792
Total	<u>26,684,965</u>	<u>-</u>	<u>35,014,792</u>	<u>61,699,757</u>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total fair Value</i>
31 December 2015 (Audited)	KD	KD	KD	KD
<i>Financial assets available for sale:</i>				
Quoted	28,480,961	-	-	28,480,961
Unquoted	-	-	41,600,095	41,600,095
Total	<u>28,480,961</u>	<u>-</u>	<u>41,600,095</u>	<u>70,081,056</u>
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total fair Value</i>
31 March 2015	KD	KD	KD	KD
<i>Financial assets available for sale:</i>				
Quoted	32,604,541	-	-	32,604,541
Unquoted	-	10,365,336	39,266,363	49,631,699
Total	<u>32,604,541</u>	<u>10,365,336</u>	<u>39,266,363</u>	<u>82,236,240</u>

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the period ended as at 31 March 2016 (UNAUDITED)

10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value.

	<i>At the beginning of the period / year</i> KD	<i>Arising from consolidated subsidiary</i> KD	<i>Net result recorded in the interim consolidated statement of comprehensive income</i> KD	<i>Net results recorded in the interim consolidated statement of income</i> KD	<i>Net purchases, transfer, sales and settlements</i> KD	<i>At the end of the period / year</i> KD
31 March 2016						
<i>Financial assets available for sale:</i>						
Unquoted equity securities	16,054,908	-	1,351,507	-	(4,729,440)	12,676,975
Unquoted managed funds	25,545,187	-	(1,171,393)	115,209	(2,151,186)	22,337,817
	<u>41,600,095</u>	<u>-</u>	<u>180,114</u>	<u>115,209</u>	<u>(6,880,626)</u>	<u>35,014,792</u>
			<i>Net result recorded in the statement of comprehensive income</i> KD	<i>Net result recorded in income statement</i> KD	<i>Net purchase, transfer, sale & settlements</i> KD	<i>At the end of the year</i> KD
31 December 2015 (Audited)						
<i>Financial assets available for sale:</i>						
Unquoted equity securities	14,514,931	-	2,887,095	-	(1,347,118)	16,054,908
Unquoted managed funds	21,058,806	-	194,575	(625,831)	(2,985,885)	17,641,665
	<u>-</u>	<u>8,471,674</u>	<u>(346,578)</u>	<u>35,837</u>	<u>(257,411)</u>	<u>7,903,522</u>
<i>Arising from consolidated subsidiary</i>						
Unquoted managed funds	<u>35,573,737</u>	<u>8,471,674</u>	<u>2,735,092</u>	<u>(589,994)</u>	<u>(4,590,414)</u>	<u>41,600,095</u>

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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For the period ended as at 31 March 2016 (UNAUDITED)

10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 March 2015

Financial assets available for sale:

	<i>At the beginning of the period / year KD</i>	<i>Arising from consolidated subsidiary KD</i>	<i>Net result recorded in the interim condensed statement of comprehensive income KD</i>	<i>Net results recorded in the interim condensed statement of income KD</i>	<i>Net purchases, transfer, sales and settlements KD</i>	<i>At the end of the period / year KD</i>
Unquoted equity securities	14,514,931	-	2,700,061	-	-	17,214,992
Unquoted managed funds	21,058,806	-	278,859	22,677	691,029	22,051,371
<i>Arising from consolidated subsidiary</i>						
Unquoted equity securities	-	-	-	-	-	-
Unquoted managed funds	-	-	-	-	-	-
	<u>35,573,737</u>	<u>-</u>	<u>2,978,920</u>	<u>22,677</u>	<u>691,029</u>	<u>39,266,363</u>

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

As at 31 March 2016 (UNAUDITED)

11 SEGMENT RESULTS

The Group operates in 4 segments: General risk insurance, Life and Medical insurance, Reinsurance and Investment. The following are the details of these segments:

	<i>General risk insurance</i>				<i>Life and medical insurance</i> KD	<i>Reinsurance</i> KD	<i>Investment</i> KD	<i>Unallocated</i> KD	<i>Total</i> KD
	<i>Marine and Aviation</i> KD	<i>Accident</i> KD	<i>Fire</i> KD	<i>Life and medical insurance</i> KD					
Three Months ended 31 March 2016:									
Segment revenue	1,146,092	2,764,849	583,491	1,406,128	9,842,132	1,831,128	15,647	17,589,467	
Segment results	460,994	1,150,277	352,987	75,026	578,785	1,127,353	(162,117)	3,583,305	
Assets				<i>General risk insurance</i> KD	<i>Reinsurance</i> KD	<i>Life and medical insurance</i> KD	<i>Unallocated</i> KD	<i>Total</i> KD	
Liabilities				114,432,958	116,026,486	21,994,419	-	252,453,863	
				50,601,423	73,100,053	21,994,419	-	145,695,895	
				<i>General risk insurance</i> KD	<i>Reinsurance</i> KD	<i>Life and medical insurance</i> KD	<i>Unallocated</i> KD	<i>Total</i> KD	
31 December 2015 (Audited)									
Segment revenue	3,491,996	9,532,062	1,810,775	4,298,318	17,976,932	14,450,391	196,190	51,756,664	
Segment results	1,772,084	2,697,941	896,108	1,150,628	1,188,087	5,164,508	(443,228)	12,426,128	
Assets				<i>General risk insurance</i> KD	<i>Reinsurance</i> KD	<i>Life and medical insurance</i> KD	<i>Unallocated</i> KD	<i>Total</i> KD	
Liabilities				116,074,046	105,896,612	21,067,375	-	243,038,033	
				51,457,254	64,062,177	21,067,375	-	136,586,806	

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
As at 31 March 2016 (UNAUDITED)

11 SEGMENT RESULTS (Continued)

Three Months ended 31 March 2015:	General risk insurance							
	Marine and Aviation KD	Accident KD	Fire KD	Life and medical insurance KD	Reinsurance KD	Investment KD	Unallocated KD	Total KD
Segment revenue	1,244,694	2,642,020	611,162	1,242,265	-	1,609,595	50,719	7,400,455
Segment results	709,486	716,670	324,411	302,687	-	1,572,592	(88,361)	3,537,485
				General risk insurance KD	Reinsurance KD	Life and medical insurance KD	Unallocated KD	Total KD
Assets				151,550,766	-	19,766,661	-	171,317,427
Liabilities				47,501,596	-	19,819,132	-	67,320,728